

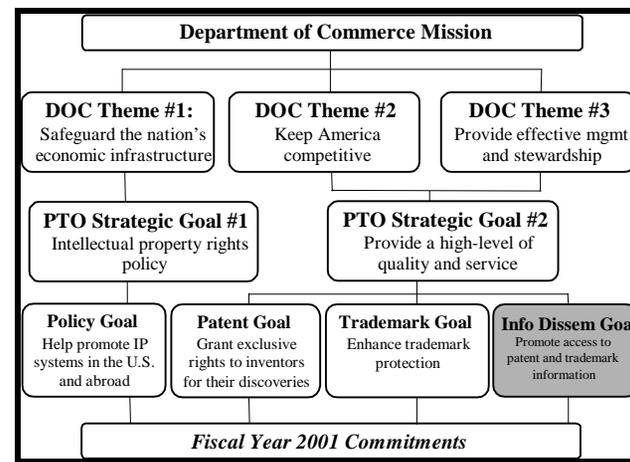
Information Dissemination Business

The Information Dissemination Organization (IDO), the third PTO business line, serves the fundamental purpose of patent and trademark laws by disclosing new technologies and providing public notice concerning intellectual property rights. The availability of this information stimulates scientific inquiry, promotes research and innovation, creates opportunities for bringing new technologies to market, and enhances public awareness of technological advances. Our activities directly support the Department's strategic goal to keep America competitive with cutting-edge science and technology and an unrivaled information base while providing a high-level of quality and service to PTO customers.

IDO provides products and services that are constructed from information created primarily in the patent and trademark application processing pipelines. The dissemination of patent and trademark information completes the contract with the public and the inventor for full disclosure of the invention in return for a grant of limited monopoly, and provides information regarding current trademarks in use by the business community. The timely dissemination of such information serves two purposes: provides formal notice of individuals' rights to an invention or a mark identifying a good or service; and stimulates creativity, technological advancement, entrepreneurship, and overall economic development. The capability to quickly and accurately access this information often shapes the way businesses position themselves in the marketplace, the decisions they make on new product development, and the manner in which they interact and compete for market share. The impact of patent and trademark information is widespread.

We serve a wide variety of customer groups that include the following:

- Researchers and inventors who use patent and trademark information to validate the uniqueness of their invention or mark;
- Intellectual property owners who seek information to record notice of their ownership of a patent or a trademark and to guard against infringements of their intellectual property rights;
- Businesses and entrepreneurs who seek patent and trademark information to make new products or launch new business ventures;
- Intermediary businesses that obtain patent and trademark information, add value, and sell it to third parties; and
- National patent and trademark offices around the world.



These different customer segments are shaped by their individual requirements and functional needs. To meet the diverse, and sometimes divergent, requirements of such a varied customer group, IDO has developed an integrated dissemination strategy that facilitates access to patent and trademark information in the most useful form to a variety of customers utilizing the creative solutions of modern technology by:

- Providing comprehensive search facilities at PTO headquarters in Arlington, Virginia, and partnering with 85 state, university, and local libraries throughout the nation to offer patent and trademark information and search services to citizens in their local communities;
- Operating the PTO's central call center that provides general information on patent and trademark processes to approximately one million customers annually;
- Recording intellectual property ownership deeds and transfers (mergers, liens, and licenses) and providing certified copies of patent and trademark documents used frequently in legal proceedings and for filing in foreign countries;
- Serving the dual role of information provider and information developer by providing copies of PTO databases to the information industry for resale; providing online and electronic information products to end users of patent and trademark data; and developing techniques for more effective use of patent and trademark data and products.

The Information Dissemination Business Environment

We continue to face many challenges in the delivery and improvement of information products and services. In line with the growth experienced in patent and trademark application filings, IDO has experienced comparable growth in the demand for information products and services. As a direct result of the steady growth in patents issued and trademarks registered, the document filing volumes in the search facilities, requests for recordation of ownership documents (assignments), and orders for certified copies of applications have steadily increased. In addition, other factors associated with national economic activity (e.g., mergers, acquisitions and bankruptcies) also have contributed to our workload increases.

Table 10

Key Workload Indicators

	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001
General Information Customers Served	526,817	798,378	879,273	934,697	1,042,000	1,117,000**
Percentage Increase of Customers Served	...	52	10	6	11	7
Patent and Trademark Assignments Processed	325,439	436,838*	389,094	501,910*	582,200	610,000**
Percentage Increase of Assignments Processed	...	34*	-11	29*	16	5
Certified Copies of Office Records Provided	158,032	208,149	241,778*	224,010	249,500	262,000**
Percentage Increase of Certified Copies	...	32	16*	-7	11	5
New References Filed in Search Facilities	1,998,311	2,181,237	1,993,334	1,988,682	2,264,000	2,490,500**
Percentage Increase of New References Filed	...	9	-9	0	14	10

* Workload processed includes processing of prior year backlog.

** Any 2001 workload amounts over fiscal year 2000 levels will not be processed at the 2001 funding level.

Increased interest and use of the patent and trademark systems have resulted in an increased demand for new patent and trademark information products and a need to expand the service ordering and delivery options. Recognizing the diverse, sometimes conflicting, needs of patent and trademark information customers, it is important to meet their needs through a diverse and varied product portfolio, including paper, optical (DVD-ROM), and on-line products. Meeting customer requirements is at the heart of our goal to “provide our customers with the highest level of quality and services” and forms the basis of many of our organization’s performance measures.

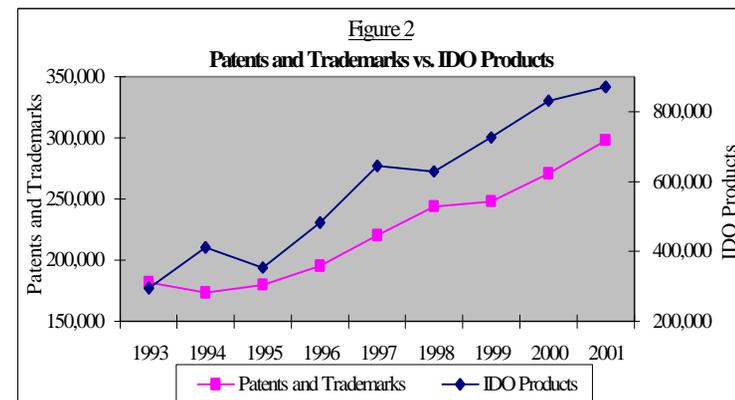
To address customer requirements, as well as support electronic commerce, we are leveraging the Internet. Customer requirements include Internet ordering and delivery options and, as a business, we look to the Internet as a tool which will help contain costs and facilitate new types of commercial transactions. Offering patent and trademark databases via the Internet are making it easier for the public to research the most recent technology and information. This brings access to patent and trademark information closer to citizens and businesses that need such information to make important business and investment decisions and successfully compete in today’s global market.

The Information Dissemination Business Case

Timely availability of patent and trademark information in a useful format is critical to the user community, whether it is used by individual entrepreneurs or businesses to make important decisions on investing in new research and development or going into litigation to determine possible infringement of a patent or a trademark. To meet the challenge of delivering intellectual property information when, where, and in the format needed by customers, we must offer varied customer groups a diverse product portfolio supported by efficient business processes that effectively use a variety of delivery channels. These products are offered through on-line ordering, fax, and telephone requests made directly to the PTO, through Patent and Trademark Depository Libraries located across the country, or through various private companies which purchase bulk data from us in order to resell it to thousands of their own customers.

As illustrated in Figure 2, growth in both patent issues and trademark registrations results in a proportionate increase in the demand for patent and trademark information products and services. In addition to these increases, we have experienced increasing customer requirements to employ varied formats, different types of media for transmitting the information, and additional delivery methods. To meet this growing and varied customer demand for intellectual property information, we must use new and creative solutions that will satisfy a broad range of customers.

The relationship between meeting customer requirements and conducting efficient dissemination programs is a delicate balance. The dissemination strategy we use provides products and services through varied delivery mediums that meet key customer requirements at the lowest possible cost. We are pursuing new and creative solutions, such as conversion to DVD-ROM technology, implementation of computer telephony integration, use of the Internet, and electronic commerce. These approaches take advantage of technological advancements to increase the quality and speed of disseminating information and to contain costs. The challenge is to make full use of current technologies and keep attuned to future opportunities.



Year 2001 Commitments

All IDO business activities for fiscal year 2001 support our commitment as a High Impact Agency:

- We are enhancing communication with our customers and delivering information when, where, and in the format needed, by enabling customers to use the Internet to access patent and trademark data, to request information on the status of their applications, and to place orders and receive products.

Business Goals and Objectives

Our macro performance goal is to promote awareness of and provide effective access to patent and trademark information. In direct support of this macro goal, the following business goals that drive the activities proposed for fiscal year 2001 have been delineated:

- Consistently achieve customer satisfaction by understanding and supporting customers' needs.
- Promote the use and accessibility of intellectual property information.
- Develop the highest quality information products and services, which deliver information when, where, and in the format needed.
- Promote cooperation with other intellectual property offices through cooperative projects and exchanges.
- Select, develop, and promote a work force that is skilled, productive, creative, and promotes excellence.

In fiscal year 2001, we will continue to focus on these business goals by:

- Maintaining a diversified information dissemination program to deliver products and services according to established service goals;
- Using the Internet to accept orders and deliver information products and services;
- Maintaining U.S. regional access to patent and trademark information; and
- Containing the cost of dissemination.

Table 11

Operational Budget
(Dollar amounts in thousands)

	Fiscal Year 1999 Actual		Fiscal Year 2000 Currently Available		Fiscal Year 2001 Request	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
Information Dissemination Process	177	\$42,217	199	\$37,464	199	\$39,458
Information Technology¹	26	\$13,445	28	\$15,978	28	\$18,131
Development		5,337		2,508		6,296
Operations		8,108		13,470		11,835
Resource Management²	28	\$3,894	33	\$4,411	33	\$5,292
<i>Information Dissemination Total</i>	231	\$59,556	260	\$57,853	260	\$62,881

For fiscal year 2001, we propose a budget of 260 FTE and \$62,881,000. This represents an increase of 0 FTE and \$5,028,000 over the fiscal year 2000 operating budget, and an increase of 0 FTE and \$3,683,000 over base. Estimates also include our share of resource management and information technology infrastructure costs, computed in accordance with our activity-based cost accounting model.

Manage Growth

Information dissemination workloads are driven by higher volumes of patent and trademark applications, increased output from the patent and trademark processing pipelines (patents issued and trademarks registered) as well as a rise in public interest in and use of the patent and trademark systems. Table 10 summarizes the projected increase in requests for key products and services. Public requests for certified copies of office records are expected to increase 5 percent in fiscal year 2001. These documents are generally requested by applicants and are needed to secure intellectual property rights in other countries or to support litigation. Timely services are important to meet customer requirements for foreign filing deadlines, court deadlines, and to complete commercial transactions (i.e., mergers and acquisitions, liens, and licenses). Increases are also projected in requests

¹ Cost estimates for development and operations are burdened with the Information Dissemination Business' share of enterprise information technology infrastructure, and distributed in accordance with our activity-based cost accounting model.

² Cost estimates include information technology development and operations as burdened and distributed in accordance with our activity-based cost accounting model.

for recordation of the assignments of patent and trademark rights. This increase is driven by the projected growth in output from the patent and trademark pipelines. Additionally, workloads in the Public Search Facilities are increasing as we ensure the paper files are current with each week's issue of new patents and trademarks and that adequate photocopying equipment is provided for patron use on a fee-reimbursable basis. The Call Center provides general information to PTO's customers via phone calls and mails general information products in response to their questions. Future workload growth is driven by increased use of the patent and trademark systems (filings) as well as the introduction of additional access avenues such as e-mail. Improvements to call center technology have provided the means to handle part of the additional volume.

During fiscal year 2001, we will attempt to address these increasing workloads with only inflationary adjustments to available resources. However, if workloads continue to grow at rates experienced during fiscal year 1999, backlogs will develop in key production areas that will negatively impact service goals, customer satisfaction and product sales revenue. Backlogs, when worked off at more expensive overtime rates, will contribute to inefficiencies and higher production costs.

Quality and Customer Satisfaction

As part of the IDO mission to provide effective access to patent and trademark information throughout the United States, we work to maintain regional access to patent and trademark information and services. One aspect is to work with state, university, and local libraries to extend PTO's information dissemination capability. The Patent and Trademark Depository Libraries (PTDLs) serve as local liaisons between PTO's customers and the PTO in lieu of formal PTO branch or field offices, and obviate the need for PTO undertaking the expense of maintaining facilities outside of its headquarters. There are currently 85 libraries in the network - located in all states, the District of Columbia, and Puerto Rico. Our strategy is to pursue controlled expansion into areas of high population densities with high patent and trademark activity. In addition to the patent and trademark depository libraries throughout the country, we have partnered with three PTDLs to bring enhanced services and products specifically tailored to the needs of the intellectual property community in major geographic regions. We have established Partnership Libraries in Sunnyvale, California; Detroit, Michigan; and Houston, Texas. In fiscal year 2000, we will establish one in Boston, Massachusetts. The success and value of these partnerships in streamlining and improving the provision of services to citizens has been recognized by Vice President Gore with a Hammer Award. PTDL Partnership Libraries have become key business conduits in the intellectual property community.

Information Technology

Expand Patent and Trademark Information on the Internet

In April 1999, PTO unveiled new Internet databases which contain the texts and images of more than two million patents dating back to 1976 and over one million registered and pending trademarks dating back to 1870. The more than 20 million pages in the database comprise two terabytes of science and technology and more than 100 years of marketing creativity. In fiscal year 2001, we are requesting an increase of \$6,000,000³ to begin expanding Web site offerings to provide additional U.S. patent text and image data from 1790 to 1975. This activity supports the Administration's priority to bring technology to communities and is an important strategy in the IDO program to improve customer satisfaction, in general, and customer satisfaction with ease of access to patent and trademark information. Input from earlier customer surveys provided impetus to provide PTO's databases on the Web. These customer requirements coupled with our commitment as a High Impact Agency and the White House directive to promote electronic commerce combine to form the basis of this initiative.

***If we establish an environment
in which electronic commerce
can flourish, then every
computer can be a window open
to every business, large and
small, everywhere in the world."
-Vice President Al Gore***

Under this initiative, the patent database would be made available to the public. These databases would be searchable using the same search engine used internally by examiners (BRS Search), would be "replicated" outside the PTO firewall to ensure that public access does not negatively impact examiner access, and to prevent public access to PTONet and PTO's internal systems. Image data would be linked to text data and be retrieved in a manner similar to the current U.S. patent image file on the PTO Web site. It is expected that additional funding will be required in fiscal year 2002 to complete this project and improve the data integrity and accuracy of search.

One of the primary benefits of this proposal is that the public will have access to the same databases as patent examiners, thereby giving individuals the opportunity to search for patent and trademark information themselves. This brings access to patent information closer to citizens and businesses who need such information to make important business and investment decisions to successfully compete in the global economy.

³ This cost has been distributed to all four PTO businesses to reflect the benefit that each receives from the PTO Web site.

Fiscal Year 2001 Performance Goals and Measures

We are committed to evaluating the performance of all existing and new programs both at the organization and operations levels. Performance is monitored to assess the effectiveness of our activities. The process used to collect and manage performance data is reviewed periodically to determine if improvements can be made to data reliability, collection, and access. The six measures delineated in Table 12 support our macro performance goal to promote awareness of and provide effective access to patent and trademark information. Data used to assess customer satisfaction and evaluation of ease of access are obtained through customer surveys. We conduct these customer surveys on a two-year cycle, which allows for compilation and analysis of results and subsequent implementation of service improvements.

Table 12

Performance Measures					
Performance Goal: Promote awareness of and provide effective access to patent and trademark information.	Baseline⁴	FY 1998 Performance	FY 1999 Performance	FY 2000 Target	FY2001 Target
Customer evaluation of ease of access (percent) to patent and trademark information*	*	*	77	*	90
Percent of top 100 most populated areas served by PTDLs ⁵	55	58	60	61	62
Overall level of customer satisfaction with key products and services as determined by responses to a customer satisfaction survey (percent)*	*	*	75	*	90
Percent of key products and services meeting schedules or cycle time standards ⁶	63	70	64	80	80
Workload cost indicator ⁷	\$8.97	\$11.68	\$14.19	\$8.90	\$10.86
Overall percent of employee satisfaction ⁸	54	58	*	65	*

* IDO's customer satisfaction survey is planned to be conducted every two years. The baseline for this survey was based on a four-point scale. However, beginning in fiscal year 1999, it was decided to begin using a five-point scale. Therefore, comparisons between the baseline results and subsequent results cannot be made. The 2001 performance target for each customer survey, 90 percent, will not be reached at this funding level. Instead, we are projecting 65 percent in 2001.

⁴ Baseline measures are derived from fiscal year 1996 actual performance results except for the workload cost indicator estimates, which are based on preliminary activity-based cost accounting models of fiscal year 1997 actual cost accounting data.

⁵ The 2001 performance target, 62 percent, will not be met due to increases in workload and restricted use of fee income. Instead, we are projecting 61 percent.

⁶ The 2000 and 2001 performance targets, 80 percent, will not be met due to increases in workload and restricted use of fee income. Instead, we are projecting 64 percent in 2000 and 60 percent in 2001.

⁷ The workload cost indicator measures each business area's composite productivity rate, which is the ratio of costs per composite output unit of goods or services provided. This ratio is derived by using total business area costs as the numerator and the actual composite workload number, weighted total of key outputs, as the denominator. The 2000 performance target, \$8.90, will not be met due to increases in workload and restricted use of fee income. Instead, we are projecting a cost of \$10.18.

⁸ Survey conducted in 1998 using the Office of Personnel Management's Organizational Assessment Survey. Results reported in the Office of the Administrator for Information Dissemination are based on the question "Considering everything, how satisfied are you with your job?" We are projecting a 58 percent satisfaction rate in 2000.

Table 13

Key Objectives
1999 through 2001

<i>1999 Accomplishments</i>	<i>2000</i>	<i>2001</i>
<ul style="list-style-type: none"> • Established one new PTDL Partnership. • Completed preliminary PTDL designation activities in six institutions in high population areas. • Conducted customer surveys and achieved a 75 percent satisfaction rate. 	<ul style="list-style-type: none"> • Maintain current programs. • Implement Computer Telephony Integration for the Enterprise Call Center. 	<ul style="list-style-type: none"> • Maintain current program at current service levels. • Provide Partnership libraries with access to PTO's order management system.
<ul style="list-style-type: none"> • Provided patent full text and image databases on PTO's Web site. • Provided ordering and delivery of information products via the Internet. • Upgraded from CD-ROM to DVD-ROM. 	<ul style="list-style-type: none"> • Maintain patent databases on PTO's Web site. • Expand the trademark database on PTO's Web site by adding expired trademarks. • Provide Internet submission of patent and trademark assignment requests. 	<ul style="list-style-type: none"> • Expand patent databases on PTO's Web site by providing additional U.S. patent text and image data from 1790 to 1975 . • Provide a portion of the patent backfile on DVD-ROM.